



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 14, 2005

Gary Burningham
BEG Resources, LLC
95 North 200 East
P.O. Box 974
American Fork, Utah 84003

Subject: Bond Release Request, BEG Resources, LLC, Travertine #1 Mine,
M/023/042, Juab County, Utah

Dear Mr. Burningham:

On August 12, 2004, we received your request to release the bond held for the Travertine #1 Mine site. On August 13, 2004, a meeting was held at the Division offices. That afternoon the Travertine #1 site was inspected and the Division determined that the site could be released for regrading, but revegetation was not successful and needed to be redone in the fall. You were advised that when the BLM concurs with release of the Travertine, \$11,400 could be released but \$3,700 would be held until the revegetation was successful.

On November 16, 2004, we received a copy of a Bureau of Land Management (BLM) letter to you outlining the remaining requirements regarding reclamation at the Travertine #1 mine site. That letter stated that reclamation was incomplete and the BLM would only honor release of \$600.00 of the \$15,100. The Division has a Memorandum of Understanding with the BLM to coordinate and honor their permitting concerns; therefore, we were unable to release the \$11,400 previously mentioned.

It is up to you to resolve any outstanding issues with the BLM. Any reseeded efforts on your part were to be coordinated with the Division and suggestions of how to reseed the site and a seedmix have been sent to you in the past. It is essential that you provide the necessary documentation that you have followed proper reclamation procedures outlined in the guidelines we sent you on October 14, 2004.

Gary Burningham
Page 2 of 2
M/023/042
March 14, 2005

The main reason for this procedure is so you are protected from extreme weather patterns beyond your control and that a determination can be made that you have completed everything regarding reseeding and regrading in a manner that will give you the best chance for reclamation success.

Since you did not provide us with any dates regarding regrading and reseeding this year it would be appropriate to send that information to us along with documentation of what seed mix was used.

Any questions regarding the reclamation at the site can be directed to Paul Baker, the Biologist in charge of the site. He can be reached at 801-538-5261 or you can contact me at 801-538-5321.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Munson", with a long horizontal flourish extending to the right.

Tom Munson
Senior Reclamation Specialist

TM:jb
cc: Jerry Mansfield, BLM
O:\M023-Juab\M0230042-Begtravertine\final\Bond release.doc